

**Office of Pensions Fireman Billing Training Frequently  
Asked Questions**

**1. Why am I charged employer cost for members who I have previously crossed off my roster?**

*In past billing procedures, crossing an individual off the paper roster meant you were not granting service credit for that particular year and that the Fire Company did not pay the \$60.00 contributions. The fire company is obligated to pay the employer cost for all members even when the member does not receive service credit.*

**2. What is the Office of Pensions definition of “Active Member”?**

*The Office of Pensions considers an individual who is a current member of the Fire Company or Ladies Auxiliary and is listed on the annual billing roster.*

**3. How do I correct service or contributions that are incorrect on the billing roster?**

*You are only able to correct service for the current year plus one additional year. In order to correct prior service, the Pension Officer must send a letter to the Office of Pensions along with documentation verifying that the member should have received service credit. The Office of Pensions will send the information to the DVFA Pension Advisory Committee Chair for approval. Once a decision has been made, the Office of Pensions will notify the Fire Company or Ladies Auxiliary to submit payment of the employer & employee contributions owed.*

**4. What is the definition of a member who is “Vested” versus on “Pension”?**

*Vested members are members who have 10 or more years of service. If a person is “Vested” on the roster it means a vested pension application has been received and processed by the Office of Pensions. When a member earns 25 years of service and has not yet reached the age of 60, a vested application should be completed and submitted to the Office of Pensions. The member will then be eligible to collect the pension benefit the month following their 60<sup>th</sup> birthday*

*Vested members who are no longer “active” members who earned 10 or more years of service credit and are entitled to collect a future pension benefit at age 60. A Vested Pension Application must be completed and submitted to the Office of Pensions when a member is moving out of the area and terminates his/her membership, or if a member informs the Fire Company that he/she does not intend to continue volunteering and earning additional service credit in the future.*

*If a Fire Company has inactive members who are not participating with the Fire Company and are not responding to the Pension Officer’s written request to complete a Vested Pension Application, the Pension Officer can sign the application and submit to the Office of Pensions with an explanation that the member has been non-responsive. The Office of Pensions will attempt to contact the member upon meeting eligibility at age 60 to process the pension benefit. Once the Vested Pension Application has been submitted, former members are responsible to notify the Office of Pensions regarding their contact information. A member who is over the age of 60 and is collecting a monthly pension annuity is indicated as “Pension” on the roster. Employer contributions continue to be paid for both vested members and members receiving a pension.*

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**5. How can a member who attained 25 years of service appear as vested on the billing roster?**

*The Office of Pensions requires a vested pension application to change the status of a member from active to vested.*

**6. How do I transfer a member from my company to another company?**

*The company that a member is transferring to should submit a new hire form (P-1) through PeopleSoft during the annual billing process and then submit the signed copy of the form to the Office of Pensions. The new billing process has been designed to enhance quality control of the submitted billing data which will help to eliminate more than one company paying the contributions for a member. The transfer can only occur if that member meets their obligation to receive credit for the new company.*

**7. Where do I send the Actuarial Form P-1?**

*Please send directly to the Office of Pensions.*

*Office of Pensions, 860 Silver Lake Blvd., Suite 1, Dover, De 19904-2402*

**8. Is the Actuarial Form P-1 required since I completed the form on-line for new members?**

*Yes, the Office of Pensions requires an original signed P-1 from each member due to the designation of beneficiary.*

**9. Do I still need to complete the paper Actuarial Form P-1 in order to make changes such as address, marital status and beneficiary changes?**

*Yes, the Office of Pensions requires an original signed P-1 from each member whenever changes to the members' personal data or beneficiaries should be updated. At this time, the online New Hire (P-1) is utilized only to add new member who is receiving service credit for the current billing cycle. All other forms such as the Pension Application, Vested Pension Application and Withdraw of Benefit (WB-F) are to be submitted via paper directly to the Office of Pensions.*

**10. What information is required to add or update a beneficiary?**

*The PeopleSoft system requires the beneficiary(ies) full name, address, date of birth, and Social Security number. The new member cannot be processed without this information.*

**11. Does the Office of Pensions require a Death Benefit form (Form DB-F) from the Fire Company/Auxiliary Pension Officer for a deceased member who is already receiving a pension?**

*No. Form DB-F is not required for vested members or for retired members receiving a monthly pension benefit. The Office of Pensions is responsible for obtaining documentation for these members.*

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**12. If a member dies, does the Pension Office require a certified death certificate as validation of the death?**

*Yes. However, the Office of Pensions is aware of the cost of such certified death certificates and the burden this may be to some. If the family member brings the certified death certificate into the Office of Pensions, a staff member can make a copy upon verifying its authenticity. The staff member notates the validation along with the date and their initials. If the family member is unable to travel to the Office of Pensions, he/she may send the certified death certificate along with a self-addressed stamped envelope and a note requesting the certified death certificate be returned upon the Office of Pension's verification.*

**13. What happens when a member dies and we cannot obtain a death certificate?**

*You do not have to retrieve the death certificate from the family. The Office of Pensions is required to contact the family for the required information. If you have an individual on your roster that you know is deceased, please notify the Office of Pensions of the member's death. If you have a copy of the death certificate, please forward a copy to the Office of Pensions*

**14. Why did members receive a W-2 from the Office of Pensions instead of a 1099-R Form?**

*An Amendment was made to the Delaware Volunteer Firefighters' Pension Plan effective January 1, 2008 due to an Internal Revenue Service (IRS) Ruling that states the Plan is a Length of Service Award Plan (LOSAP). According to the IRS guidelines, payments from a LOSAP are considered supplemental employee wages and require a Form W-2 at year end instead of a form 1099-R. Although monthly payments are reported as supplemental wages, the payments are not subject to Social Security, Medicare, or FUTA taxes. They are, as they always have been, subject to Federal and State taxes. Federal taxes are withheld from monthly benefits and from one-time withdrawals processed by the Office of Pensions. State tax is withheld from monthly distributions but will not be withheld from one-time withdrawals. Beneficiaries who received a payment for a death benefit with continue to receive a 1099-R and contributions are subject to Federal taxes.*

*According to the IRS guidelines, a withdrawal of contributions would also be considered supplemental wages and require a Form W-2 at year end. Since a withdrawal from a LOSAP is not an eligible rollover distribution, a tax-free rollover would not be permitted. However, the member can contribute the amount of the payout to an IRA to decrease the tax burden.*

**15. How do I remove an inactive Non-Vested member from my roster?**

*Please see the attached new procedures effective 11/17/09 for removal of inactive non-vested members.*

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**16. Who do I contact for assistance with the DVFA Fireman Annual Billing process?**

**Fire Company/Auxiliary Pension Plan or billing related questions**

*Manual Load Office Staff*

[Open\\_Manual\\_Loads\\_Help@state.de.us](mailto:Open_Manual_Loads_Help@state.de.us)

*(302) 739-4208 or (800) 722-7300*

**Fire Company/Auxiliary representative contact changes and receiving computer access**

*Training & Development Team*

<http://pensionstraining.delaware.gov/>

*(302) 739-4208 or (800) 722-7300*

**Security Access issues**

*ERP Functional Team*

*Please include your SSL VPN & PeopleSoft UserID with all security issues.*

[Open\\_ERP@state.de.us](mailto:Open_ERP@state.de.us)

*(302) 739-4208 or (800) 722-7300*

**17. How is the Employer cost calculated?**

*Following is the calculation:*

- 1) Take the Total Prior Cost from the Actuary divided by the Total Prior Years of Service from the DVFA Billing*
- 2) Multiply that number by the Total Prior Years of Service from each Organization*  
*\*\*\*\*That number gives the Total Employer Cost for that Organization*
  
- A) Take the Total Normal Cost from the Actuary divided by the Total Members from the DVFA Billing.*
- B) Multiply that number by the Total Members of the Organization*  
*\*\*\*\*That number gives you the Total Normal Cost for the Organization*

*These two totals added together give you the Total Employer Cost*